

## **2017-2018 BUDGET QUESTION**

### ***Response to Request for Information***

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**DEPARTMENT:** Human Resources

**REQUEST NO.:** 132

**REQUESTED BY:** Casar

**DATE REQUESTED:** 8/24/17

**DATE POSTED:** 9/8/17

**DATE REVISED:** 9/8/17

**REQUEST:** How much would it cost to provide access to our healthcare plan to all temporary and seasonal employees who have worked, or who will work, for the City for at least 12 months in any 24 month period (whether they are on payroll or not for that entire 24 month period) at the same level of access as our permanent employees?

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#### **RESPONSE:**

It would cost approximately \$925K in calendar 2018, or approximately \$665K in FY18 to extend benefits to 576 temporary and seasonal employees. Worked, or who will work, for the City at least 12 months in any 24 month period (whether they are on payroll or not for that entire 24 month period) at the same level of access as our regular employees.

The above cost includes the following assumptions:

- From July 2015 through July 2017, an estimated 1,489 temporary employees worked for the City for at least 12 months during this 24 month period.
  - 913 worked 12 months consecutively and are currently eligible for medical benefits and are not considered in the cost above.
  - 576 worked 12 months nonconsecutively and would be eligible for benefits in January, 2018.
- From August 2017 through December 2017, an additional 121 temporary employees would become eligible.
- From January 2018 through December 2018, an additional 286 temporary employees would become eligible.

#### **Other Considerations**

The development of the cost estimate is based upon the assumption that new enrollees have the same health risk as our current enrollment. The City medical plans are self-insured; the City helps to mitigate risk by carrying stop-loss coverage for catastrophic claims. The policy covers the cost for claims exceeding the threshold of \$500,000 annually per claimant.